Eastern & Southern MT Oil and Gas Development

By: Mark Ewanic

Montana Ambient Air Quality
Monitoring Network Assessment and Plan
Annual Stakeholder Meeting
March 9, 2009



Monitoring Stations

- · Sidney, Montana
 - Current monitoring site
 - Oil & gas development



- Powder and Tongue River
 Air Sheds
 - 2 Proposed monitoring sites
 - Coal bed natural gas development

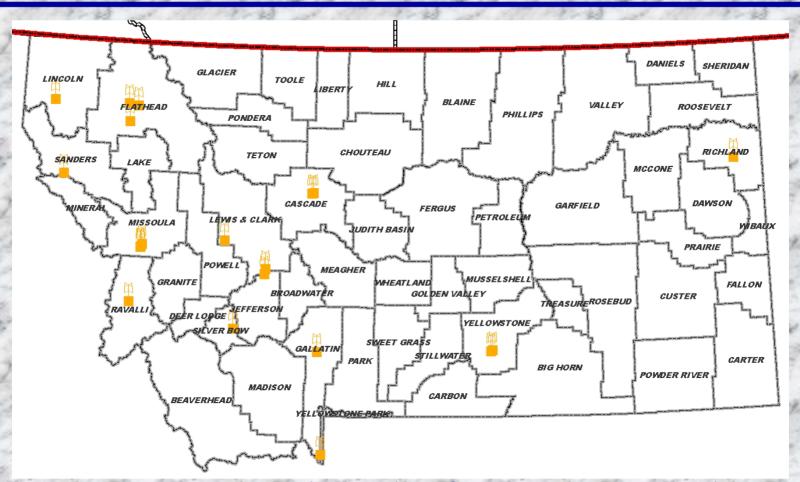




Sidney Monitoring Station



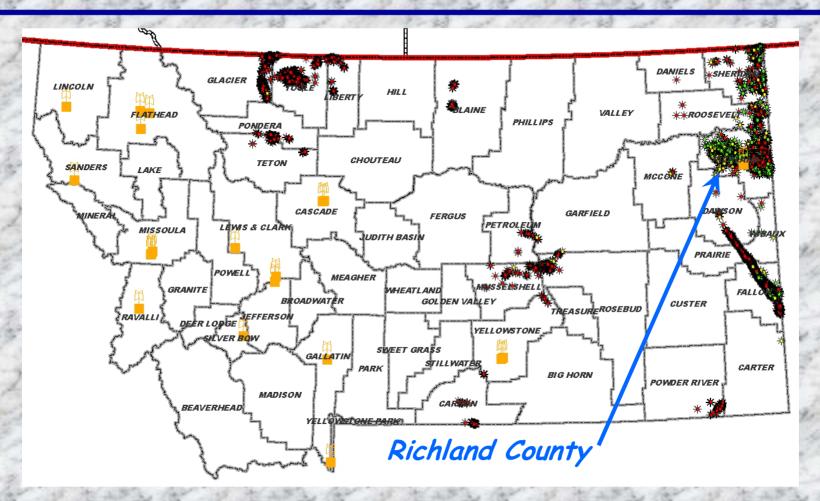
DEQ Monitoring Stations



Monitor, assess and provide information on <u>statewide</u> ambient air quality conditions and trends as specified by the Montana and Federal Clean Air Acts.

ENVIRONMENTAL QUALITY

Montana Oil & Gas



771 Registered Facilities (2/25/09)

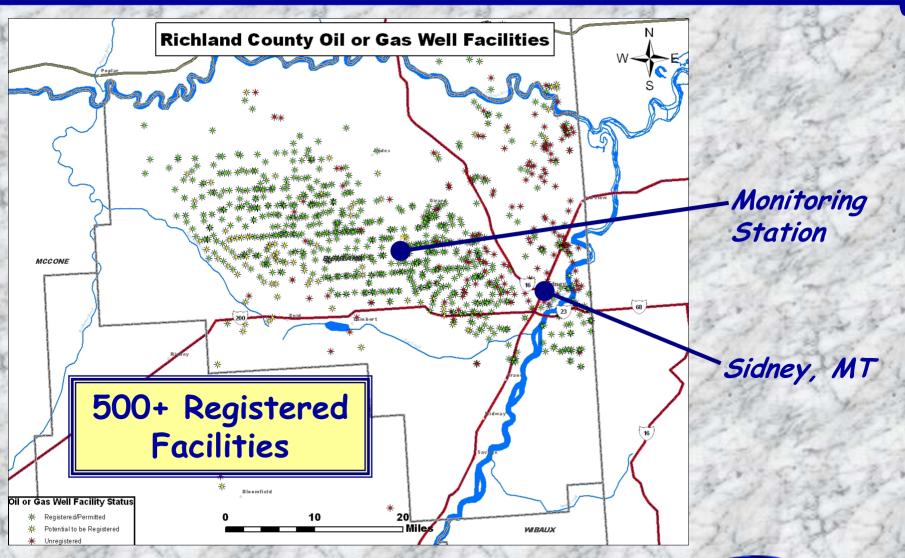


Oil & Gas Production in E Montana

- Bakken Formation
 - Estimated 3.0- to 4.3-billion barrels recoverable oil (April 2008 USGS report)
- · Richland County
 - 99% of all the oil activity in Montana (Tom Richmond; Montana Board of Oil and Gas Conservation)
 - Elm Coulee Oil Field
 - Production began in 2000
 - · Expected to produce 270-million barrels
 - · 2007-Elm Coulee averaged 53,000-bpd



Richland County Oil & Gas Facilities



March 9, 2009



Richland County Active Sources

- · Over 550 Active Sources
 - Petroleum Production
 - Nat. Gas Compressor Stations
 - Mining
 - Power Generation
 - Manufacturing
 - AG Storage











Future O&G Production in MT

	Montana	Richland County
Producing	3982	848
Spudded	116	62
Permit to Drill	70	21

Montana Board of Oil and Gas Online Database -3/2/09



Sidney Monitoring Station

- Characterize air quality in predominant oil & gas development area
- · Monitors:
 - NOx
 - Ozone (O_3)
 - PM2.5
 - PM10
 - Meteorological Data





Sidney Pollutants of Concern

- NOx and PM2.5
 - RICE emissions
- · PM10
 - RICE emissions
 - Surface disturbance (e.g., vehicle traffic)
- Ozone
 - VOCs react with NOx to form
 O₃
 - VOCs typically highest emitted pollutant at oil and gas facilities









Learning from the Past

- March 2008: EPA lowers ozone standard from 80-ppb to 75-ppb
 - Typically a concern in summer months
 - · Los Angeles peak average of 152-ppb last summer
 - Estimates 345 counties not able to meet new standard
 - Implementing nationwide → \$8 billion per year by 2020
- Wyoming Ozone Problems
 - Upper Green River Basin: Elevated levels 3 of last 4 winters
 - Winter 2007-08: WDEQ issues 1st ozone warning
 - Measured ozone level of 122-ppb during 8-hour period
 - · Exceeded healthy levels 11 times between Jan and May
 - February 2009: 1st ozone advisory of winter

Learning from the Past contd.

· Colorado Ozone Problems

- Denver exceeds federal limits on 9 days in summer 2006
- Colorado began its first program to control oil and gas field emissions

· Four Corners Ozone Problems

- Air monitors indicate ozone levels average 77-ppb
- EPA could classify portions as non-attainment areas
- States will have until 2013 to come up with a plan to reach attainment
- Common Thread → Ongoing Oil & Gas Development



Need for Sidney Station

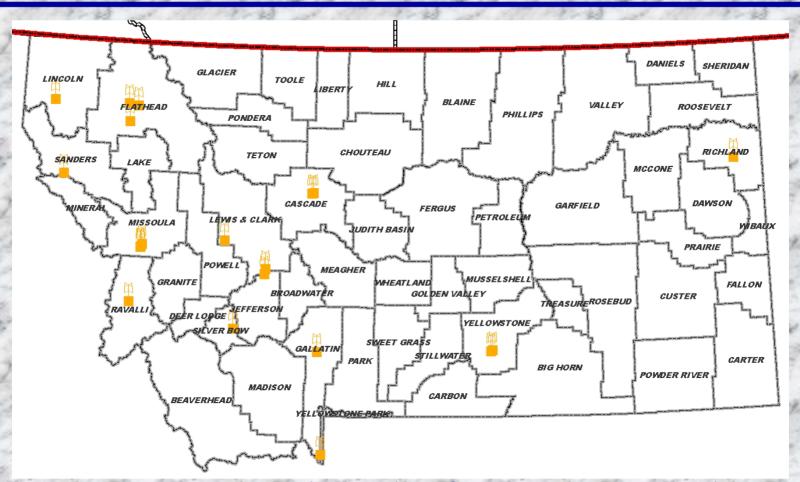
- Monitor air quality in area that has seen and is expected to see significant oil and gas development
- Currently Department's only site that monitors ozone
- Accurate data for permit actions
- · Prevent future air quality problems
 - Monitor compliance with MAAQS/NAAQS
 - Implement programs prior to exceeding limits



Air Monitoring Stations Powder and Tongue River Air Sheds



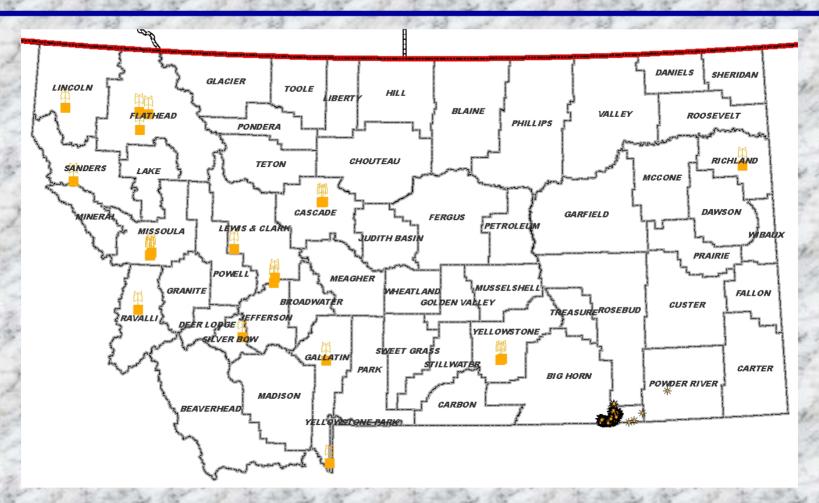
DEQ Monitoring Stations



Monitor, assess and provide information on <u>statewide</u> ambient air quality conditions and trends as specified by the Montana and Federal Clean Air Acts.

ENVIRONMENTAL QUALITY

Montana Coal Bed Natural Gas



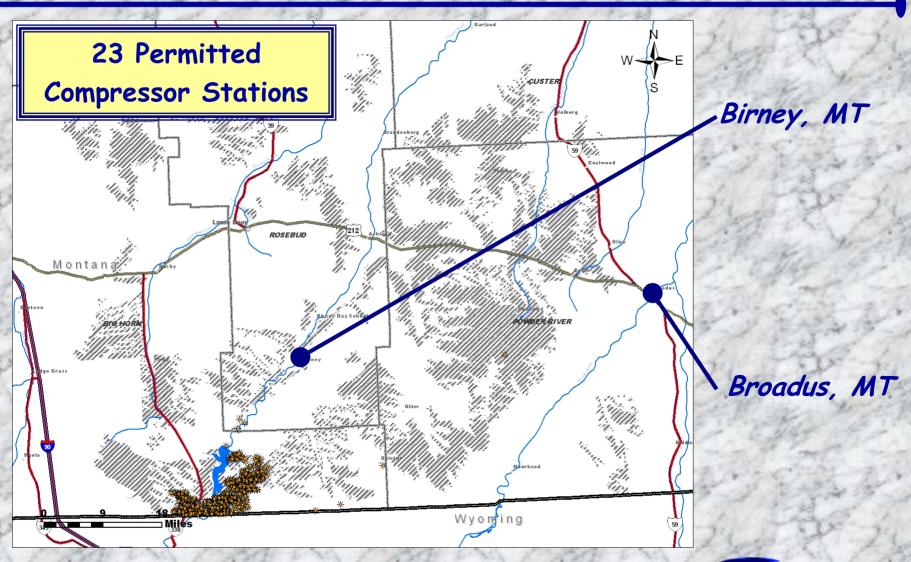
828 Producing Wells (2/25/09)



CBNG Production in Montana

- Powder River Basin
 - Estimated 24-TCF of recoverable CBNG
 - 90-95% of CBNG reserves in WY (8.24- to 22.42-TCF)
 - 5-10% of CBNG reserves in MT (0.8- to 2.5-TCF)
 - Full development scenarios
 - · 40,000 wells in WY
 - · <10,000 wells in MT

SE Montana CBNG Wells



Montana Department of ENVIRONMENTAL QUALITY

Monitoring Parameters

- · Contaminants
 - NOx
 - Ozone (O_3)
 - PM2.5
 - PM10



· Meteorological Data





Powder & Tongue River Monitoring Stations

- Characterize/monitor air quality in area of potential significant CBNG development
 - "Baseline" or "Background" air quality data
 - Monitor compliance with MAAQS/NAAQS
 - Allows for future development to be accurately analyzed
- · Working in conjunction with BLM



